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Washington State's bond rating upgraded

OLYMPIA - Treasurer Michael J. Murphy announced today that Standard & Poor's Ratings Services (S&P) has upgraded Washington State's rating on General Obligation (GO) bonds from AA to a more favorable AA+. In raising Washington's rating, S&P specifically cited the recent voter approval of Engrossed Substitute Senate Joint Resolution (ESSJR) 8206 authorizing the establishment of a budget stabilization account (BSA) as a primary reason for their decision.

"We view the formal adoption and initial funding of the BSA as likely to enhance the consistency of the state's financial performance through economic downturns, therefore improving credit quality," said Standard & Poor's credit analyst Gabriel Petek.

The report also comments positively on Washington's sustained employment growth and diversification, relatively well-educated workforce, above-average wealth and income indicators, increasing revenues, and disciplined financial management.

"This demonstrates that Washington is on the right economic and fiscal path and reflects the good sense of our electorate in passing ESSJR 8206," Treasurer Murphy said. "I am very happy to see that Washington's hard work is being rewarded - a better rating will lower our cost of borrowing and that will save us money in the long run."

Washington anticipates issuing \$927 million in general obligation bonds on January 8, 2008. The improvement of Washington's bond rating is good news and it should make the bonds more attractive to bidders and provide the state more favorable interest rates.

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